

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:218
ANSWERED ON:22.02.2001
POWER GENERATION COST IN THE COUNTRY
NAWAL KISHORE RAI;SUSHIL KUMAR INDORA

Will the Minister of POWER be pleased to state:

- (a) whether there is much variation in cost for generation of power in the country;
- (b) if so, the maximum and minimum power generation cost in the country; and
- (c) the norms provided in the power generating projects along with the reasons for such variation in cost?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : The cost of power generation at different power stations in the country varies depending upon factors like the nature of the plant, topography/geology of the site of the plant and the type of fuel used etc. Based on information of 15 States, as received by Central Electricity Authority (CEA) for the year 1998-99, the average cost of the power generation from hydro power stations varies from 23.16 p/kwh to 153.97 p/kwh, and for thermal power stations it varies from 121.75 p/kwh to 297.57 p/kwh.

(c) : The cost of generation is a function of capital cost including interest during construction, return on equity, operation and maintenance cost, depreciation rate depending upon the life of the project, fuel cost etc. The main reasons for variation in the cost of power generation inter alia are differences in the cost of the construction of the plant, cost of capital employed and also variation in the cost of the fuel, differences in transportation costs depending upon the location of the source of fuel etc.